

# Staff Report 70

## **APPLICANT:**

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Casa Blanca Beach Estate Owners' Association

## **PROPOSED ACTION:**

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Issuance of General Lease – Protective Structure Use, acceptance of compensation for unauthorized occupation, and authorization to take all action necessary, including litigation, to remove unauthorized improvements

## **AREA, LAND TYPE, AND LOCATION:**

35,872 square feet, more or less, of sovereign tide and submerged land in the Pacific Ocean, adjacent to Assessor Parcel Number 005-600-018, near Carpinteria, Santa Barbara County.

## **AUTHORIZED USE:**

Use and maintenance of an existing rock revetment.

## **TERM:**

10 years, beginning December 9, 2022.

## **CONSIDERATION:**

\$258,300 per year, with an annual Consumer Price Index adjustment; \$1,291,500 to compensate for the unauthorized occupation of state land; and \$749,703 to compensate for impacts to Public Trust resources up to December 8, 2023, and each following year until the lessee provides public access.

## **SPECIFIC LEASE PROVISIONS:**

- Liability insurance in an amount no less than \$5,000,000 per occurrence.
- Lessee agrees and acknowledges that the hazards associated with sea level rise may require additional maintenance or protection strategies regarding the improvements on the lease premises.

- Lessee must conduct a structural assessment of the revetment and its fitness for purpose following any major storm or seismic event by a licensed structural engineer within 180 days of the event, which would be provided to staff upon request, as needed.
- Lessee must conduct visual inspections of the improvements following major storm events or unusual wave events and provide staff with photographs of the lease premises and improvements within 30 days following the event.
- In the event the Lease is assigned or terminated prior to its expiration date for any cause whatsoever, the annual rent paid in advance shall not be prorated.
- By June 7, 2023, Lessee must provide Lessor's staff with a third-party cost estimate for removal of the revetment from the Lease Premises. Lessee must provide Lessor with a surety bond or other form of security for the estimated removal amount within 60 days of Lessor's approval of that cost estimate.

## **BACKGROUND:**

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The revetment adjacent to the Casa Blanca properties was built in the 1940s and expanded in the 1970s. The Commission first authorized portions of the revetment on December 20, 1979, under Lease No. PRC 5764.9, effective from January 1, 1980 through December 31, 1989, with an annual rent of \$130 ([Item C01, December 20, 1979](#)). On January 17, 1990, the Commission approved a new lease, which authorized the revetment in connection with an upland development plan, from January 1, 1990 to December 31, 1999, with an annual rent of \$960 ([Item C04, January 17, 1990](#)). While the upland property owners disputed the location of the State's ownership, after having already been under lease for the previous 20 years, they ultimately agreed on a lease, while reserving their dispute to the boundary issues. In 1996, the Commission terminated the then-existing lease, issued a new lease backdated to May 8, 1993, and assigned the new lease to the current Applicant ([Item C49, May 9, 1996](#)). The new lease did not impose annual rent because the lessee and the property owners had agreed to the development of a proposed public access pathway, discussed below, that would mitigate the impacts from the revetment and the Commission at that time agreed that such a pathway would provide sufficient public use and benefit to suffice as the consideration for the private use of public sovereign lands. That lease expired on May 9, 2003.

As a condition of the development plan's approval under the County's Local Coastal Program in 1990, Santa Barbara County required the developer to dedicate a public access easement across the revetment and to construct a public walkway in that easement after its acceptance. The leases approved in 1990 and 1996 included provisions requiring the lessee to dedicate the easement

and construct the public walkway. The County accepted the easement in May 2011, but the walkway was never built. The failure to build the walkway is the subject of an ongoing enforcement action and litigation between the Applicant, the California Coastal Commission, and Santa Barbara County.

On January 16, 2018, the Applicant's agent submitted a request to Commission staff to determine the Commission's jurisdiction for lands occupied by the revetment as a requirement of a California Coastal Commission Coastal Development Permit (CDP). The Applicant applied for a General Lease – Protective Structure Use, for the use and maintenance of the existing rock revetment, on June 5, 2020.

Staff provided its initial jurisdiction determination to the Applicant on November 2, 2020. This determination concluded that a 1946 Mean High Tide Line (MHTL) identified from aerial imagery was the best available evidence of the MHTL's last natural location and thus the line that best represents the Commission's ownership and leasing jurisdiction at this location. However, after additional review, the Commission's boundary staff revised its jurisdictional determination. In the subsequent review, Boundary staff concluded that a 1964 MHTL survey conducted by Commission staff is the most appropriate line to use to determine encroachment and the lease area, which increased the total encroachment area. The initial boundary analysis did not rely on the 1964 MHTL survey out of concern a tsunami may have adversely influenced the surveyed MHTL location. However, Boundary staff subsequently located additional evidence that showed the 1964 MHTL survey was performed prior to the tsunami, even though the survey was recorded afterward. Staff notified the Applicant of that revision on January 4, 2022.

While some revetment was present during the Commission's 1964 MHTL survey, it appears that the revetment, as it existed in 1964, had been placed on the private upland. However, aerial imagery from 1972 shows evidence that the upland owners expanded the revetment waterward of the 1964 surveyed MHTL, onto public sovereign land, and backfilled behind it. As a result of these proximate artificial changes to the coast at this location, the MHTL's last natural location for establishing the boundary between state-owned tidelands and the private upland is best evidenced by the 1964 MHTL survey. Therefore, staff used the 1964 MHTL survey to measure the revetment's encroachment onto State sovereign land.

## **STAFF ANALYSIS AND RECOMMENDATION:**

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### **AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1 and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

The proposed lease is for approximately 35,872 square feet lying beneath an existing rock revetment located on state-owned tidelands adjacent to the Applicant's upland property. The primary purpose of the rock revetment is to protect the eight privately owned residences and private common area uplands from erosion and wave uprush.

The Applicant disputes the Commission's jurisdiction. In correspondence with staff, the Applicant has repeatedly argued that the Santa Barbara Harbor's construction exacerbated erosion and fixed the tidelands boundary at its 1927 location. Staff has reviewed these claims and strongly disagrees that the Santa Barbara Harbor's construction resulted in an artificial modification of the natural coastline sufficient to fix the tidelands boundary at or around the subject property based on applicable law and the facts. The Harbor is too far away to satisfy the legal requirement that the influence be in the immediate vicinity of the property. Additionally, artificial erosion does not fix a property boundary under California law. Staff recommends a lease area based on the 1964 MHTL survey.

### RENT

Both staff and the Applicant appraised a lease area based on staff's initial boundary determination. Staff appraised the sovereign land value as \$100.00 per square foot (calculated from the upland value of \$400.00 per square foot with a 75% utility discount applied). Staff's appraisal concluded a rental rate of \$198,900 per year, based on 9% of the appraised sovereign land value as required by the Commission's regulations and the application of the utility discount.

The Applicant's appraisal concluded the sovereign land value of \$19.50 per square foot, which was calculated from an upland value of \$195.00 per square foot with a 90% utility discount. The Applicant's appraisal concluded annual rent should be \$34,500, which is 8% of the sovereign land value after the application of the 90% utility discount.

Staff reviewed the appraisal prepared by the Applicant's consultant, as well as the appraiser's responses to staff's questions and comments. Staff concluded that the

Applicant's appraisal did not sufficiently capture the value of the leased premises. In staff's opinion, the consultant's appraisal was significantly lower as he improperly included the homeowners association's common areas as part of the upland value equation. The value (including taxable value) of the common areas is already reflected in the market value of members' properties created by common area pools, clubhouses, riding trails, parks, etc. And staff does not believe the Applicant's appraisal adequately values the benefit of the revetment to the private upland residences. The Applicant's appraisal alleges that a 90% discount is appropriate when sovereign land is used for "views" or "water amenities" connected with the upland property, and applies that 90% discount to the sovereign land used for the revetment. But the consultant's Highest and Best Use section of the appraisal states, "The benefit of the rock revetment compliments the upland and is an integral use of the entire planned unit development (PUD)." In staff's opinion, the tide and submerged lands' "integral use" for protective structures should not fall under the same discount category as submerged lands used for "views" and "water amenities" because the primary purpose of the revetment is to provide protection of the private upland residences from damage due to erosion and wave uprush. Therefore, staff disagrees with both the Applicant's valuation of the upland property and the discount applied.

In conjunction with staff's revised lease area of 35,872 square feet, in November 2022, staff updated its appraisal with more recent comparable sales data in order to calculate the current recommended rental rate. According to the staff's updated appraisal, the sovereign land value was concluded to be \$80.00 per square foot (calculated from the upland value of \$320.00 per square foot with a 75% utility discount applied). Staff's updated appraisal concluded a rental rate of \$258,300 per year, based on 9% of the appraised sovereign land value as required by the Commission's regulations and the application of the utility discount. The use and occupation of publicly owned sovereign tide and submerged lands by a rock revetment where the primary purpose is to provide protection for the privately owned upland residences requires that the public be compensated for the use and occupation of its lands.

#### PUBLIC TRUST IMPACTS

The annual rental amount discussed above addresses the physical occupation of the public's sovereign lands and does not capture the entirety of the impacts on Public Trust resources, including public access to and along state tidelands, created by the revetment. The rent is for the occupancy and use of State-owned land. However, the revetment creates impacts that go beyond the use and occupancy of the land by the adjoining private owners.

In addition to the annual rent, staff recommends requiring the Applicant to pay additional consideration to compensate the public for the loss of and impacts to Public Trust resources, including but not limited to public access. Adverse effects related to this protective structure in Carpinteria include increased beach erosion, interference with natural sand transport and supply, and loss of public beach resulting from encroachment by this protective structure on the beach environment.

The existing revetment protects the upland residential community. However, while hard structures provide temporary protection against flooding, they disrupt natural shoreline processes, accelerate long-term erosion, cause loss of beach and other critical habitats and corresponding ecosystem benefits, and impair beach access and recreational uses.

When hard protective structures block lateral beach access, beaches can become accessible only to the residents of nearby beachfront properties, creating *de facto* private beaches. This can exacerbate the inequities in coastal access that affect disadvantaged and tribal communities, who rely on coastal access for low-cost recreation, escape from heat, subsistence fishing, and other vital cultural uses ([Reineman et al., 2016](#)).

A comparison of aerial photographs, as seen in Exhibit C, taken before and after the placement and subsequent expansion of the revetment display the loss of beach area and access that has occurred due to the revetment and its effects on coastal processes. The aerial photographs from 1929 and 1938, before the revetment's construction, show the beach has a uniform shape and width similar to the adjacent beach areas. The aerial photographs from 1946 and 1974, after the revetment's construction and unauthorized expansion, show a clear progression of the beach narrowing seaward of the revetment and scouring at the revetment's eastern end. These impacts and narrowing continue through the present (as seen in more recent photographs), resulting in a significantly narrower beach compared to the adjacent beaches and no beach in front of portions of the revetment.

The loss of beach caused by the revetment adversely impacts the public's ability to access the beach areas in front of and adjacent to the revetment. These losses negatively affect Public Trust uses, such as beach recreation, fishing, and environmental preservation. Lateral beach access to Sandyland Beach is blocked during medium and high tides, preventing the public from accessing and utilizing those Public Trust lands. The erosion of the sandy beaches also affects delicate ecosystems that support a diversity of species and habitats, including southern foredune habitat, and perform a variety of vital ecosystem services. The California

Department of Fish and Wildlife identifies the southern foredunes as “critically imperiled.”

As shown by the interactive mapping tool [Our Coast Our Future](#), sea level rise will cause the already narrow beach surrounding the revetment to contract further, eventually becoming permanently submerged. This will adversely impact the public’s ability to use the beach seaward of the revetment and the adjacent beaches; there will not be enough beach even at low tide to safely walk around the revetment to get from one side of the beach to the other. As the beach area becomes submerged and the revetment is exposed to more frequent wave energy, the structural integrity of the revetment will likely diminish, and the boulders could become dislodged and displaced. This will effectively increase the existing footprint of the structure as the rocks get washed out onto the beach, pose a greater risk to beachgoer safety, and further impede lateral sand transport.

#### ESTIMATING THE LOSSES FROM IMPACTS TO PUBLIC TRUST RESOURCES

To estimate the losses of and impacts to Public Trust resources, Commission staff used a valuation methodology from a 2015 California Coastal Commission report titled “[Improved Valuation of Impacts to Recreation, Public Access, and Beach Ecology from Shoreline Armoring](#).” The valuation method was prepared by academic experts on beach recreation use economics and beach ecology. The academic experts reviewed the most current literature to recommend methods for valuing shoreline armoring impacts for the purposes of specifying mitigation for such impacts. The valuation methodology estimates the value of beach recreation and access, based on the value of beach visitation per visitor, visitor attendance, and the loss of beach area. The impacts to other Public Trust resources and uses, such as environmental preservation and the related ecosystem services, were not included in the valuation.

According to the report, “academics have recommended that the recreational losses due to armoring be based upon the differences between the beach with armoring and the beach without armoring.” As demonstrated in case studies for San Elijo and Del Monte beaches, the report’s methodology considers the loss of beach area to include the placement loss due to armoring footprint and long-term erosion. However, Commission staff only considered in this valuation the loss of beach area from the revetment footprint. This estimate does not include the losses

caused by erosion from the revetment or lateral beach access blockage between Santa Claus Beach and Sandyland Beach.<sup>1</sup>

The report's methodology recommends the following formula to estimate annual recreational value of a beach:

$$\text{Annual Recreational Value} = (\text{Day Use Value}) \times (\text{Attendance Density}) \times (\text{Square Footage of Beach Area})$$

For the "Day Use Value" variable, Commission staff used the report's recommended value for Southern California of \$39.49. The value, which is from 2015, was adjusted for inflation, using the [U.S. Bureau of Labor Statistic's CPI Inflation Calculator](#), to an October 2022 current value of \$50.36. Since the proposed lease area is below the MHTL, a lower day use value was used for a wet beach, as recommended by the report's consultants, since the beach would not be available for recreational use during high tide. Commission staff reduced the day use value for the proposed lease area by 50% to \$25.18 since it would be less available and desirable for recreational use approximately half of the time. In Appendix A of the Coastal Commission report, Section 2.4.2 Beach Width Affects Recreation Value ([page A-29](#)), the academic experts recommend that "wet beach should be weighted much lower since the beach is not available during high tide, and wet beach is generally considered less desirable than dry beach."

For the "Attendance Density" variable, Commission staff used the report's average attendance density of 0.83 for Santa Claus Beach, which is upcoast and adjacent to the Casa Blanca site and prior to the development of the revetment was part of a larger integrated coastline, as provided in [Table 6 in Appendix A](#) of the Coastal Commission report and was calculated by the report's expert consultants.

For the "Square Footage of Beach Area Value" variable, Commission staff used the revetment square footage encroachment of 35,872 square feet, as determined by the staff boundary analysis.

Using the above formula and variables, Commission staff estimated the losses to Public Trust resources from the revetment encroachment to be \$749,703 annually. Therefore, staff recommends that the Applicant pay \$749,703 for the period up to December 8, 2023, and each subsequent year of the lease term, until it has either

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<sup>1</sup> The applicant provided analysis that estimated the value of public beach access to Sandyland Beach, which is currently blocked by the revetment, to be worth up to \$9.8 million annually. Thus, the Public Trust losses caused by the revetment's blockage of lateral beach access can be valued as such. However, this analysis was not included in the Commission staff's estimates.



provided, or irrevocably committed to provide, public access that replaces the public use lost by the revetment's impacts to Public Trust resources. The Applicant, California Coastal Commission (CCC), and County of Santa Barbara (County) are attempting to resolve a CCC enforcement action over the Applicant's alleged failure to meet its obligation to build a public walkway on the revetment. Staff recommends that public access provided by the Applicant as part of a resolution to meet its CCC and County requirements also be considered sufficient to meet its requirement to provide public access under the proposed lease.

#### COMPENSATION FOR PAST UNAUTHORIZED USE

The Applicant's previous lease expired in 2003, resulting in a nearly two-decade trespass. To compensate the state for that trespass, the proposed lease includes a provision that requires the Applicant to pay \$1,291,500 for its prior unauthorized occupation of public land. This amount is based on 5 years of the recommended annual rental rate as a measure of trespass damages.

Staff recommends this amount only as part of a proposed lease that would avoid further litigation. If the Commission proceeds with litigation over the Applicant's unauthorized occupation of State land, staff will seek to recover the maximum amount to which the Commission is entitled under the law.

#### SURETY BOND

To protect the State from the financial burden of removing the revetment encroachment at some future date, the lease includes a surety bond provision to cover the lessee's obligations under the lease, including but not limited to revetment removal. The Commission will have the option to call on the bond if the Applicant fails to remove the revetment from State property upon lease termination or expiration. The surety amount is currently set at \$860,000, which is based on 860 linear feet of revetment at \$1,000 per linear foot removal cost. The proposed lease will require the lessee to provide a detailed removal cost estimate prepared by a qualified engineer by June 7, 2023. The Lessee must provide Lessor with the revised surety bond based on the estimated removal amount within 60 days of Lessor's approval of that cost estimate.

#### **CLIMATE CHANGE:**

Climate change impacts, including sea level rise, increased wave activity, storm events, and flooding pose significant risks to tidally influences areas on the open coast and inland. The existing revetment structure subject to the lease is located on Santa Claus Beach adjacent to the Pacific Ocean and Carpinteria Salt Marsh in Carpinteria.

To understand how sea level rise and storms will impact the lease area, staff used an interactive mapping tool to visualize the lease area under various sea level rise scenarios. The mapping tool, [Our Coast Our Future](#), is based on the [USGS Coastal Storm Modeling System](#) (CoSMoS), which makes detailed predictions of storm-induced coastal flooding, erosion, and cliff failures over large geographic scales. The scenarios staff considered in its analysis are based on different amounts of sea level rise projected to occur through the rest of the century. The sea level rise projections are from the [State of California Sea-Level Rise Guidance](#) (Ocean Protection Council, 2018), a synthesis of the best available science on sea level rise projections and rates. Staff evaluated the “high emissions,” “medium-high risk aversion” scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. The Santa Barbara tide gauge was used for the projected sea level rise scenario for the lease area as listed in Table 1.

**Table 1. Projected Sea Level Rise for Santa Barbara**

Year	Projection (feet)
2030	0.7
2040	1.1
2050	1.8
2100	6.6

Source: Table 22, State of California Sea-Level Rise Guidance: 2018 Update

Note: Projections are with respect to a 1991 to 2009 baseline.

As stated in [Safeguarding California Plan: 2018 Update](#) (California Natural Resources Agency 2018), in addition to propelling sea level rise, climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms. Staff used Our Coast Our Future to map flooding attributed to sea level rise projections for 2030, 2040, and 2050, combined with various storm scenarios (annual storm, 20-year storm, 100-year storm). The map showed that the lease area will become vulnerable to more frequent erosion, overtopping, or inundation during high tides and storms, as well as from storm runoff. As a result, the rock revetment may sustain substantial damage and degradation over the lease term, requiring more frequent repairs and maintenance to retain its function.

CLIMATE CHANGE ADAPTATION LEASE PROVISIONS

In the future, the rock revetment may no longer provide adequate protection for the adjacent upland properties against higher levels of flood exposure, erosion, and sea level rise. The revetment's impacts to Public Trust resources and uses will

also accelerate with higher levels of sea level rise. A transition to longer-term sea level rise adaptation strategies will become necessary to mitigate coastal hazards and impacts to Public Trust resources.

The proposed lease includes several requirements relating to the revetment's maintenance and adaptation to sea level rise. The lease will also require the lessee to provide pictures of the revetment to Commission staff after major storm or seismic events. This will allow staff to monitor the revetment to ensure it is not creating additional public hazards.

The proposed lease will require the lessee to submit, no later than one year prior to lease expiration, either an application for the continued use of State property for shoreline protection, or a restoration plan describing how the lessee will remove the revetment from State property and restore the lease area. The lessee must also submit a structural engineering report detailing the revetment's condition.

Finally, the lessee must submit a plan, prepared by a qualified third-party consultant, for adapting the improvements within the lease area for sea level rise and other climate change impacts. The plan must include alternative shoreline protective strategies that the lessee could consider. Among possible alternative strategies, Commission staff suggests the following:

1. Revetment removal and replacement with a dynamic cobble berm revetment or cobble-underpinned foredune structure;
2. Revetment removal and replacement with a vegetated living shoreline;
3. Agreement with local or federal government agencies to partner on periodic beach nourishments;
4. Revetment removal paired with a managed retreat plan for structures upland of the lease area to a specified setback from the shoreline to protect structures from increased flood hazards and total water levels.

The lease is for a limited term of 10 years, which allows the Commission flexibility if the previously described impacts occur or if the Commission determines that the Public Trust needs of the area have changed over time. Staff will use the photographs, structural engineering report, and adaptation plan when reviewing any proposal to continue to use State property for the revetment.

The proposed lease requires the lessee to keep and maintain the protective structure in good order and repair, insure the lease premises, and indemnify the State for any liability incurred as a result of the lessee's activities thereon.

**CONCLUSION:**

The Commission must balance the proposed continuing use of the public's sovereign land for a privately owned revetment, which provides only private benefit to small number of coastal property owners, against the revetment's impacts to Public Trust resources and analyze whether the use is in the State's best interests.

The Commission has authorized seawalls, revetments, groins, jetties, and other structures designed to impact shoreline processes throughout its history, often to create harbors or protect other Public Trust uses. However, research has shown the adverse impacts caused by shoreline protection on public resources.

Adapting the rock revetment to better meet the State's needs and sea level rise will take time. Given the history of the upland properties' reliance on the revetment, and the time needed to analyze adaptation strategies, staff recommends a more limited-term lease for the revetment with conditions that compensate the State and the public for the upland owners' private use, and that start the process of critically analyzing how this revetment will be adapted to meet changing public needs.

Even if a lease is authorized and executed, staff emphasizes that this is not a guarantee of continued recommendations for future leases. Staff will be looking critically at how the revetment can be adapted to sea level rise, including removing it entirely from State land to the extent feasible. Climate change is fundamentally altering how California must manage the State's sovereign land and preserving the status quo of the last five decades is not an option.

**OTHER PERTINENT INFORMATION:**

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1. Staff recommends that the Commission require that the lease be signed within 30 days of authorization, and if it is not signed within 30 days, that staff be authorized to take all action necessary and appropriate, including litigation, to address the almost two decades of trespass and remove the unauthorized revetment from State land.
2. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as a trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the Applicant, as owner of the improvements on state land, may be required to remove the existing rock revetment and restore the premises

to their original condition. The lessee has no right to a new lease or to renewal of any previous lease.

3. This action is consistent with the “Leading Climate Activism” and “Meeting Evolving Public Trust Needs” Strategic Focus Areas of the Commission’s 2021-2025 Strategic Plan.
4. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084, California Code of Regulations, title 14, section 15300, and California Code of Regulations, title 2, section 2905.

## **EXHIBITS:**

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- A. Land Description
- B. Site and Location Map
- C. Aerial Photographs

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

### **PUBLIC TRUST AND STATE’S BEST INTERESTS:**

Find that the approval of the proposed lease is consistent with the Public Trust doctrine and is in the best interests of the State.

### **AUTHORIZATION:**

1. Authorize issuance of a General Lease – Protective Structure Use to the Applicant beginning December 9, 2022, for a term of 10 years, for the use and maintenance of the existing rock revetment, as described in Exhibit A, Land Description, and shown on Exhibit B, Site and Location Map (for reference

purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$258,300, with an annual Consumer Price Index adjustment; compensation for prior unauthorized occupation in the amount of \$1,291,500; compensation for impacts to Public Trust resources payable in the amount of \$749,703, with an annual Consumer Price Index adjustment, into the Kapiloff Land Bank Fund, with the initial payment on or before December 8, 2023, and each following year on or before December 8 until the lessee provides public access; and liability insurance in an amount no less than \$5,000,000 per occurrence. Bond or other surety in the amount of \$860,000.

2. Rescind the lease authorization if the Applicant does not execute it by February 8, 2023.
3. Authorize Commission staff and the Office of the Attorney General to take all action necessary and appropriate, including litigation, to remove unauthorized improvements from State land if the Applicant does not sign the lease or fails to provide compensation as specified in the lease.

**EXHIBIT A**

**LEASE 5764**

**LAND DESCRIPTION**

A parcel of tide and submerged land, whether filled or unfilled, lying in the bed of the Pacific Ocean, situate in the County of Santa Barbara, State of California, and being more particularly described as follows:

BEGINNING at a point on the westerly boundary of Lot 11 of Tract No. 14,026 as shown on that certain subdivision map filed in Book 156, Pages 91 Through 95, Inclusive, of Maps, Records of said county, said point lying South 33°10'41" West 87.27 feet from the northwest corner of said Lot 11; thence along said boundary and southerly prolongation thereof, South 33°10'41" West 53.79 feet; thence leaving said southerly prolongation of said westerly boundary, along the toe of existing rock revetment the following twenty-three (23) courses:

- (1) South 41°57'23" East 40.23 feet;
- (2) South 34°34'52" East 69.99 feet;
- (3) South 33°34'02" East 120.15 feet;
- (4) South 40°44'24" East 41.66 feet;
- (5) South 30°33'20" East 30.94 feet;
- (6) South 30°41'26" East 38.75 feet;
- (7) South 38°56'35" East 43.31 feet;
- (8) South 24°54'13" East 38.80 feet;
- (9) South 37°36'13" East 37.66 feet;
- (10) South 43°19'46" East 36.33 feet;
- (11) South 61°17'24" East 19.72 feet;
- (12) South 66°16'22" East 30.69 feet;
- (13) South 52°22'14" East 26.26 feet;
- (14) South 76°36'04" East 29.75 feet;
- (15) South 85°01'49" East 38.59 feet;
- (16) North 70°30'28" East 27.05 feet;
- (17) North 64°04'20" East 39.98 feet;
- (18) North 74°03'33" East 15.74 feet;
- (19) North 28°55'57" East 28.84 feet;
- (20) North 07°36'21" East 28.02 feet;
- (21) North 21°42'38" East 18.41 feet;
- (22) South 38°54'55" East 35.50 feet; and
- (23) South 51°48'41" East 57.97 feet to a point on the southerly prolongation of the easterly boundary of said Lot 11;

thence leaving said toe of existing rock revetment, along the southerly prolongation of the easterly boundary and then the easterly boundary of said Lot 11, North 01°05'00" East 89.21 feet; thence leaving said easterly boundary, along the following eleven (11) courses:

- (1) South 83°06'40" West 39.83 feet;
- (2) South 70°18'33" West 64.71 feet;
- (3) South 24°08'08" West 28.19 feet;
- (4) South 49°07'44" West 63.27 feet;
- (5) North 67°23'10" West 75.78 feet;
- (6) North 55°56'56" West 67.30 feet;
- (7) North 34°19'08" West 40.73 feet;
- (8) North 29°45'29" West 164.44 feet;
- (9) North 38°38'04" West 181.52 feet;
- (10) North 23°04'34" West 40.21 feet; and
- (11) North 45°11'17" West 60.25 feet to the point of beginning.

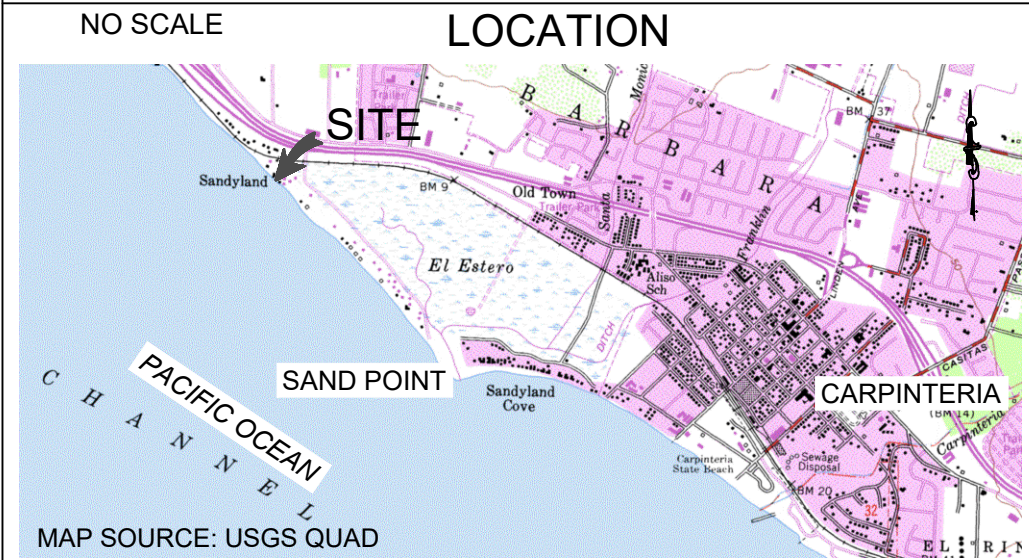
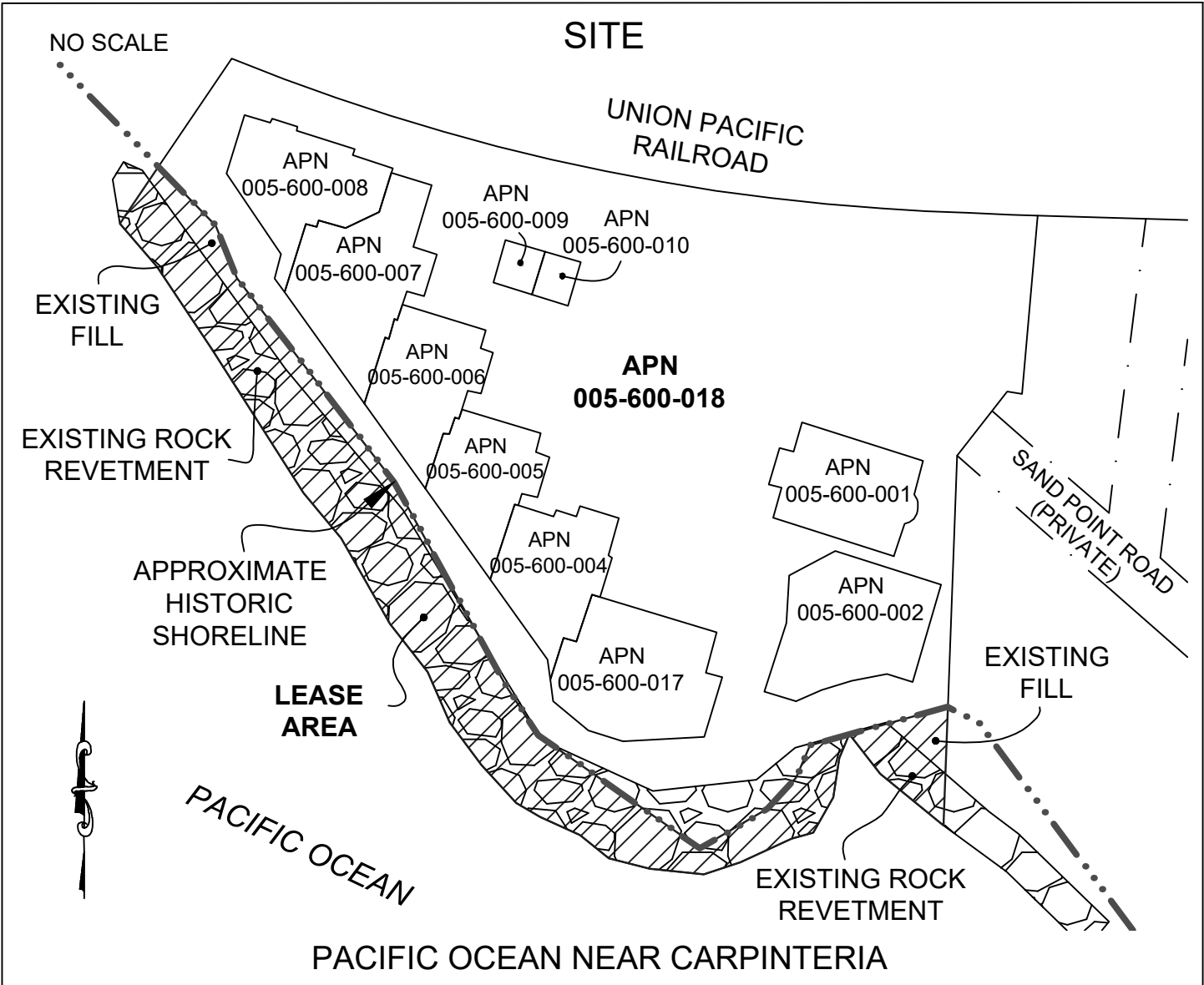
EXCEPTING THEREFROM any portions lying landward of the Ordinary High Water Mark of the Pacific Ocean.

**END OF DESCRIPTION**

Prepared 11/03/2022 by the California State Lands Commission Boundary Unit.







**EXHIBIT B**

LEASE 5764

CASA BLANCA BEACH ESTATE OWNERS' ASSOCIATION

APN 005-600-018

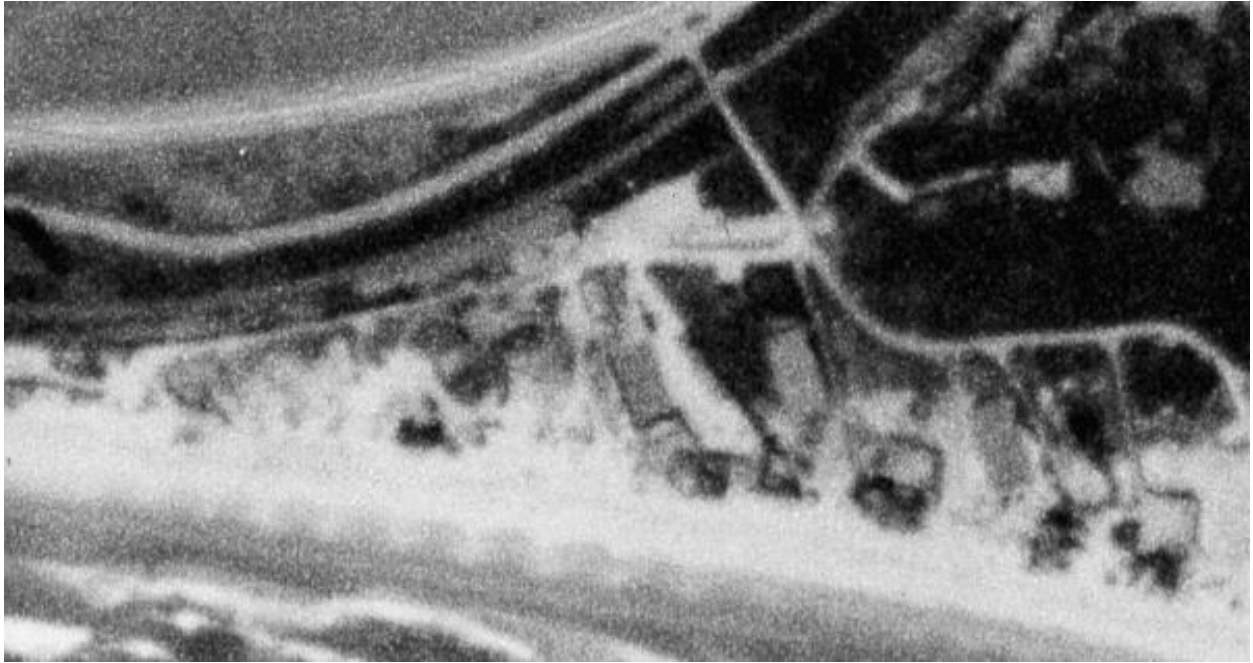
GENERAL LEASE - PROTECTIVE STRUCTURE USE

SANTA BARBARA COUNTY



THIS EXHIBIT IS SOLELY FOR PURPOSES OF GENERALLY DEFINING THE LEASE PREMISES, IS BASED ON UNVERIFIED INFORMATION PROVIDED BY THE LESSEE OR OTHER PARTIES AND IS NOT INTENDED TO BE, NOR SHALL IT BE CONSTRUED AS, A WAIVER OR LIMITATION OF ANY STATE INTEREST IN THE SUBJECT OR ANY OTHER PROPERTY.

Exhibit C – Aerial Photographs



1929 Aerial Photograph



1938 Aerial Photograph



Exhibit C – Aerial Photographs



1946 Aerial Photograph



1974 Aerial Photograph